

Message Text

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62

ORIGIN ARA-20

INFO OCT-01 ISO-00 AID-20 CIAE-00 COME-00 EB-11 FRB-02

INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 SPC-03

CIEP-02 LAB-06 SIL-01 OMB-01 L-03 NSC-10 SS-15 STR-08

CEA-02 DODE-00 PA-03 USIA-15 PRS-01 AGR-20 /174 R

DRAFTED BY ARA/BC/B:JRBINNS:HWSHLAUDEMAN

APPROVED BY ARA:HWSHLAUDEMAN

ARA/BC:JEKARKASHIAN

TREASURY:DBOWEN (PHONE)

ARA/L:DGANTZ (PHONE)

----- 017396

P 042158Z OCT 73

FM SECSTATE WASHDC

TO AMEMBASSY LA PAZ PRIORITY

C O N F I D E N T I A L STATE 197895

E.O. 11652: GDS

TAGS: EFIN, BL

SUBJECT; CANCELLATION 225 MILLION DOL LOAN

REF: LA PAZ 5973

1. AMBASSADOR VALENCIA, ON URGENT INSTRUCTIONS FROM GOB, MET WITH DEPUTY ASSISTANT SECRETARY SHLAUDEMAN OCTOBER 3 REGARDING SUBJECT LOAN. VALENCIA EXPLAINED THAT GOB HAD DECIDED TO CANCEL CONTRACT (REFTEL) AND FEARS PRINCIPALS MAY TRY TO ENFORCE CONTRACT PENALTY CLAUSES IN U.S. OR FOREIGN COURTS. HE SPECIFICALLY MENTIONED THE POSSIBILITY THAT PRINCIPALS WOULD TRY TO ATTACH GOB ASSETS IN THE U.S. OR EMBARGO WHEAT SHIPMENTS, AND REQUESTED THAT DEPARTMENT ADVISE GOB PROMPTLY IF IT BECOMES AWARE OF ANY SUCH ACTIONS. HE ALSO REQUESTED ANY FURTHER INFORMATION USG MIGHT BE ABLE TO PROVIDE REGARDING THE ACTIVITIES OF THE PRINCIPALS.

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2. SHLAUDEMAN SAID HE WOULD CONSULT THE OFFICE OF THE

LEGAL ADVISOR AND ASSURED VALENCIA OF OUR DESIRE TO COOPERATE. SHLAUDEMANN OBSERVED THAT IT MIGHT BE USEFUL TO HAVE A COPY OF THE LOAN CONTRACT. VALENCIA SAID HE HAD NEVER BEEN GIVEN THE TEXT AND NOTED WHAT HE PRESUMED WOULD BE A TENDENCY ON THE PART OF THE GOB TO HOLD THIS DOCUMENT CLOSELY, GIVEN THE POLITICAL CONSIDERATIONS INVOLVED.

3. WE SUBSEQUENTLY INFORMED VALENCIA THAT DEPARTMENT WILL BE ABLE TO INFORM GOB OF ANY POSSIBLE LEGAL ACTIONS OF WHICH IT BECOMES AWARE AND IS DETERMINING WHAT ADDITIONAL INFORMATION MIGHT BE PROVIDED GOB.

4. FYI. TREASURY REPORTS THAT FEDERAL RESERVE BANK, NEW YORK, RECEIVED INSTRUCTIONS FROM BOLIVIAN CENTRAL BANK OCTOBER 2 TO TRANSFER ITS RESERVES TO A BOLIVIAN EMBASSY ACCOUNT. WE ASSUME THIS ACTION WAS TAKEN TO PRECLUDE PRINCIPALS FROM MOVING AGAINST THESE ASSETS. END FYI. PORTER

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Message Attributes

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Disposition Approved on Date:
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Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: JRBINNS:HWSHLAUDEMAN
Enclosure: n/a
Executive Order: GS LAUDEMAN
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Handling Restrictions: n/a
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ISecure: 1
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30 JUN 2005

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Subject: CANCELLATION 225 MILLION DOL LOAN
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